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MAKING SENSE OUT OF FIELD SERVICE: DRIVING BEST PRACTICES

WRITTEN BY: BILL POLLOCK, PRESIDENT & CHIEF RESEARCH OFFICER

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Making Sense Out of Field Service: Driving Best Practices

Field Service has been around for as long as there have been people, places and things (i.e., assets) distributed across geographic distances. However, for many services organizations, the tools and processes they use to support these assets in the field have remained fairly constant for much too long while their customers' needs and expectations have only intensified. In fact, there have been more major advancements in field service technology in recent years than ever before, and most of this technology has already been widely accepted and embraced throughout the global services community.

However, while technologies and devices may have evolved significantly in recent years, what has not changed is the continuing reliance on the basic tools and processes that services organizations require to support their customers and their respective assets in the field. Things like service metrics, or Key Performance Indicators (KPIs), planning and forecasting, training, automation and increased customer involvement are all elements of service that, if used effectively, can provide services organizations with everything they need to get the job done, all while reducing internal costs, generating higher levels of service revenue and profits, and keeping their customers both satisfied and loyal.

The results of The Service Council™'s *2011 Field Service Benchmark Survey*, conducted in March-April 2011, confirm both the importance and application of these key elements by identifying the following as the top current and planned strategic actions being undertaken by a majority of Field Service Organizations (FSOs) with respect to improving their service performance over the next 12 months:

- **82%** Developing and/or improving the metrics, or KPIs, they use to measure their field service performance
- **72%** Investing in mobile tools to provide field technicians with real-time access to required data and information in the field
- **67%** Integrating new technologies into existing field service operations
- **62%** Improving planning- and forecasting-related activities with respect to field service activity
- **61%** Providing additional training to field service technicians and/or dispatchers
- **56%** Automating existing manual field service processes or activities
- **52%** Increasing customer involvement in the field service process via web-enabled self-help (e.g., call initiation and scheduling, visibility into call status, etc.)

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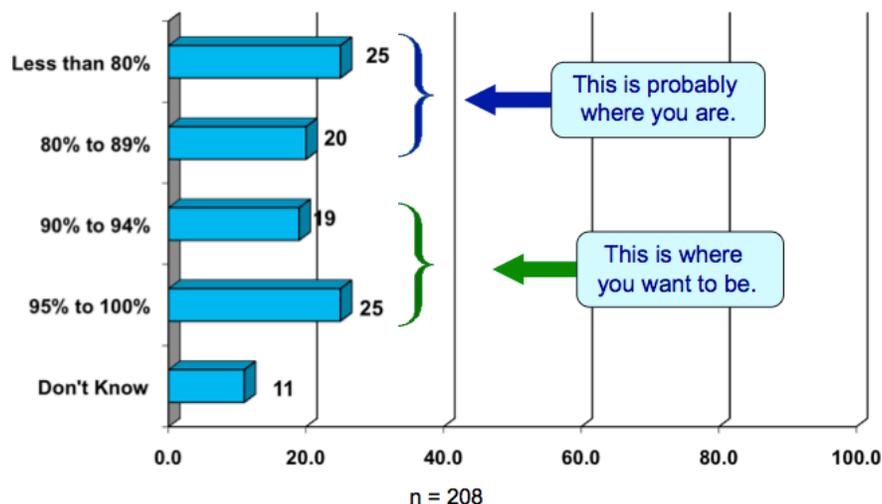
Based on these data, it appears clear that the global Field Service community recognizes that despite the proliferation of new supporting technologies and devices, it is still pretty much back to the basics with respect to running a successful – and profitable – field service organization. The remainder of this Whitepaper explores the relative impacts of both the new technologies and the processes presently being used to support field service directly from the perspectives of the more than 200 services executives who participated in the survey.

Perhaps one of the more compelling reasons for why so many organizations are looking for ways to improve or enhance their field service performance and, ultimately, their existing levels of customer satisfaction and service profitability, is the fact that less than half are currently attaining as high as a 90% response time success rate (Figure 1). While most organizations probably find themselves performing in the 70% to 89% satisfaction range (i.e., where your organization probably stands), the leading organizations typically find themselves at the 95%-plus level – and this is where you want to be!

Figure 1

Overall, Less than Half of FSOs Are Currently Attaining as High as a 90% Response Time Success Rate

(Percent Response)



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However, moving from a level of 70% to 80% customer satisfaction to 90% or higher is not simply a matter of implementing field service automation and waiting for customers to become more satisfied – there are many additional aspects of service performance that will need to be improved and/or enhanced in order to drive customer satisfaction, and the respondents to the survey have clearly identified the specific technologies and tools that have been most successful in taking them to the desired levels.

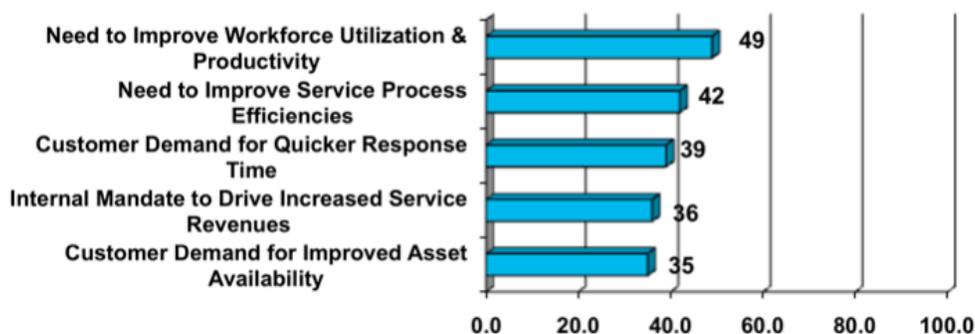
For example, the need to improve workforce utilization and productivity is cited by roughly half (i.e., 49%) of respondents as representing the top driver that their organization focuses on with respect to optimizing field service performance. Field Technician Utilization is typically defined as the percent of time spent performing repairs, divided by available hours; and Field Technician Productivity as the number of service calls completed per day.

However, there are other key drivers that are also impacting between one-third and one-half of the market, including the need to improve service process efficiencies (42%), customer demand for quicker response time (39%), an internal mandate to drive increased service revenues (36%) and customer demand for improved asset availability (35%) (Figure 2).

Figure 2

The Key Drivers Impacting Field Service Are Productivity, Efficiency, Time, Revenue and Asset Availability-based

(Percent Response)



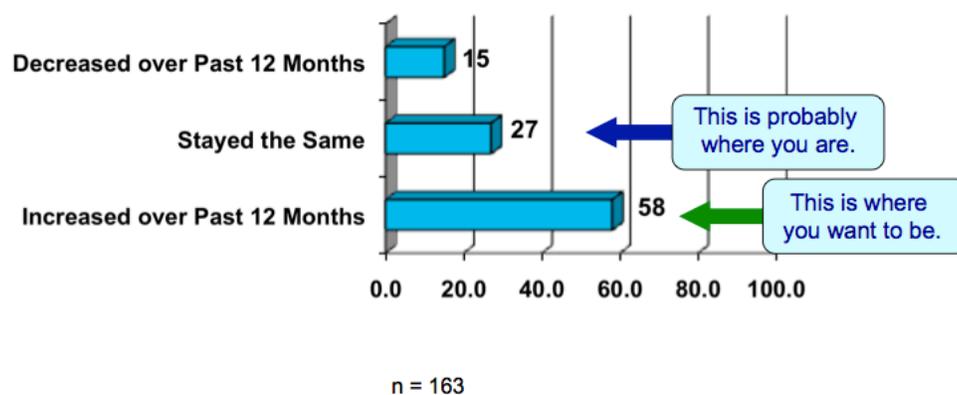
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As such, the common threads that tie each of these drivers together may be categorized into three groupings encompassing (1) utilization, productivity and efficiency improvement; (2) customer demand for quicker response and improved asset availability; and (3) an internal mandate to drive service revenues – and profits. The results of the survey confirm the relationship between and among these three groupings by linking process and productivity improvements to support customer demand, ultimately leading to reduced costs, increased revenues, and a healthier bottom line.

Another key driver revealed through the survey findings is that only slightly more than half of the FSOs surveyed (i.e., 58%) have experienced any improvement in year-to-year workforce productivity in the most recent period (Figure 3). In fact, more than 15% had actually experienced *declines* in productivity over this 12-month period – some of up to 50%! These levels of year-to-year declines in performance are largely unacceptable in an environment where the primary drivers for Field Service organizations are to improve service delivery.

Figure 3
**Only 58% of FSOs Have Experienced Any Improvement
 in Year-to-Year Workforce Productivity**
 (Percent Response)



Overall, just over one-quarter (27%) of FSOs reported that their levels of workforce productivity stayed unchanged over the past year – a finding that does not bode well in a services marketplace where there is ongoing pressure to improve workforce productivity, reduce costs, increase customer satisfaction, bolster service revenues and improve the bottom line. This is where many services organizations find themselves today – and probably where your service organization presently stands. However, there

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are still 58% of your peers out there who have improved their year-to-year workforce productivity – some by more than 50%!

The survey findings also reveal that there are six primary service performance metrics, or KPIs, presently being used by a majority (i.e., 50% or more) of the FSOs that participated in the *2011 Field Service Benchmark Survey*; they include:

- **70%** Customer Satisfaction
- **66%** Service Revenues
- **59%** Service Profitability
- **57%** Field Technician Utilization (i.e., percent of time utilized)
- **52%** On-site Response Time Performance
- **50%** Total Service Cost

However, there are an additional five KPIs that between one-third and one-half of the leading services organizations also use that help to distinguish them from all others. These include:

- **49%** Mean-Time-to-Repair (MTTR)
- **48%** Service Level Agreement (SLA) Compliance
- **45%** First Time Fix Rate
- **41%** Field Technician Productivity (i.e., average number of calls per day)
- **36%** Customer Retention

The main takeaway from these findings is that while all FSOs report some reliance on a number of specific KPIs, the leading organizations may use up to twice as many to monitor their performance on an ongoing basis. However, perhaps the greatest indicator reflecting the critical need to improve services operations performance is the discouraging pattern revealed among those organizations that are not meeting their current year performance goals ...

- **62%** of FSOs are not attaining at least a 90% First Time Fix Rate
- **48%** of FSOs are not attaining at least 90% Customer Satisfaction
- **41%** of FSOs are not attaining at least a 30% Services Profit Margin
- **31%** of FSOs are not attaining at least 90% SLA Compliance

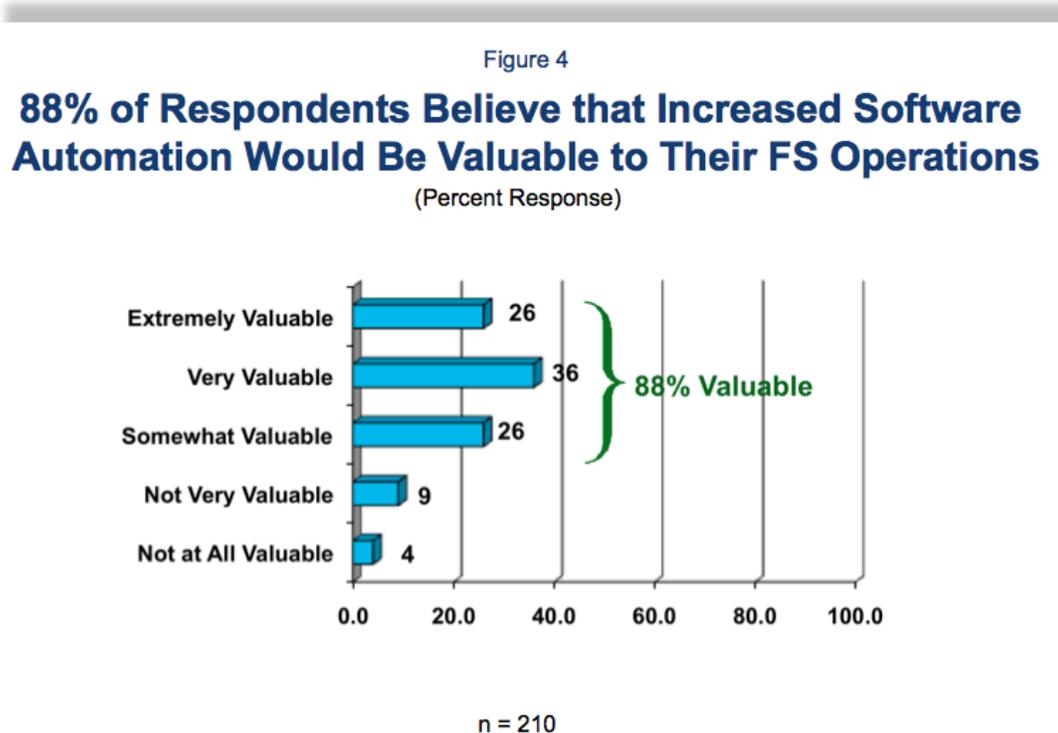
... as well as those not meeting their year-to-year performance goals:

- **77%** of FSOs have not decreased their average MTTR
- **71%** of FSOs have not decreased their average Cost-to-Dispatch
- **47%** of FSOs have not increased their Services Profitability
- **42%** of FSOs have not increased their Workforce Productivity (i.e., average number of calls completed per day)

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While a majority of the leading FSOs appear to be meeting most of their annual and year-to-year goals, many of the aspiring FSOs are finding that the gap between them and the segment leaders continues to widen.

Different organizations may have vastly different views on how to keep up with – and, ultimately surpass – their competitors in terms of improving service efficiencies, enhancing customer satisfaction, and/or improving financial positioning. However, one view appears to be fairly pervasive throughout the services community; that is, the belief that increased software automation would be valuable to their respective Field Service operations. In fact, nearly nine-out-of-10 respondents (88%) believe this to be an important factor in their ability to support the necessary processes to run their Field Service operations (Figure 4).



Further, just over one-quarter (26%) of FSOs surveyed believe increased software automation would be “extremely valuable” to their Field Service operations. These are also typically the same organizations that are attaining the highest levels of workforce productivity, customer satisfaction and financial returns on their respective services operations.

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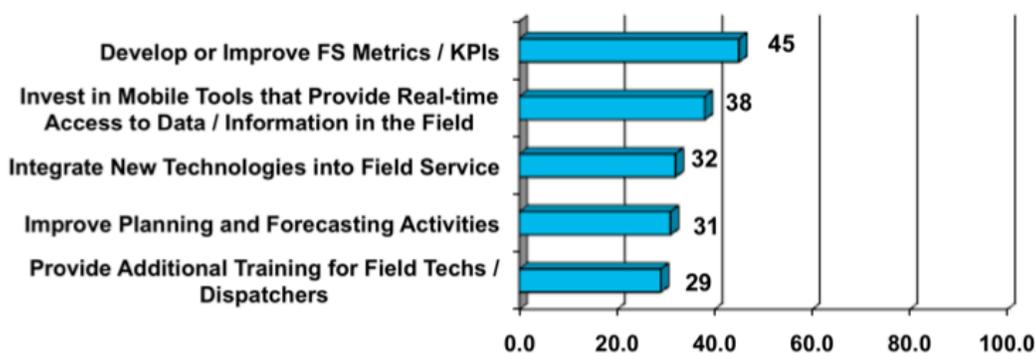
This particular question also attained one of the highest-rated responses in the entire survey, reflecting a near universal affirmation, across all types and sizes of services organizations, and regardless of whether they have already gone down the road of automation or not. In other words, if they have not yet taken this path, they believe it is an important way to go; and if they have already implemented some form of automation into their existing Field Service operations, they clearly indicate they want to implement even more.

In order to counteract some of the widespread shortfalls seen on the part of some services organizations in their attempts to attain higher levels of service performance, many have identified specific actions that will need to be taken to improve existing efficiencies (or lack thereof), increase existing levels of customer satisfaction, and generate the levels of service revenues and profits that will keep their owners or shareholders happy. The top action currently being taken, as cited by nearly half (45%) of the survey respondents, is to develop and/or improve the metrics, or KPIs, they use to measure their respective Field Service performance (Figure 5).

Figure 5

Strategic Actions Currently Being Taken by FSOs Relate Primarily to KPIs and Mobile Tool Investments

(Percent Response)



n = 208

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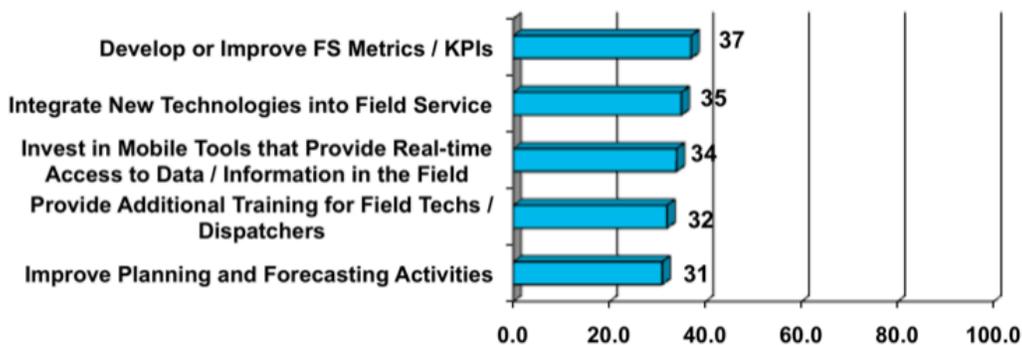
Beyond service metrics and KPIs, the next most common actions currently being taken by FSOs include: investments in mobile tools that provide field technicians with real-time access to required data and information in the field (38%), integration of new technologies into existing Field Service operations (such as iPads or tablets, etc.) (32%), improved Field Service planning- and forecasting-related activities (31%), and the provision of additional training to field technicians and/or dispatchers (29%). One finding of note is that many organizations that have already implemented a number of these strategic actions are planning to implement even more in the next 12 months, as the next figure will reveal.

Planned strategic actions over the next 12-month period reflect a more dynamic, rather than static, Field Service marketplace. For example, an additional 37% of respondents plan to develop or improve their use of Field Service metrics, or KPIs, in the next 12 months, and nearly as many (35%) plan to integrate new technologies and invest in the next generation of mobile tools (34%). Other key planned actions will be taken in the areas of additional training for field technicians and dispatchers (32%) and improved planning and forecasting activities (31%) (Figure 6).

Figure 6

Planned* Strategic Actions Focus on Field Service KPIs, New Technologies and Real-time Mobile Tools

(Percent Response)



* In the next 12 months.

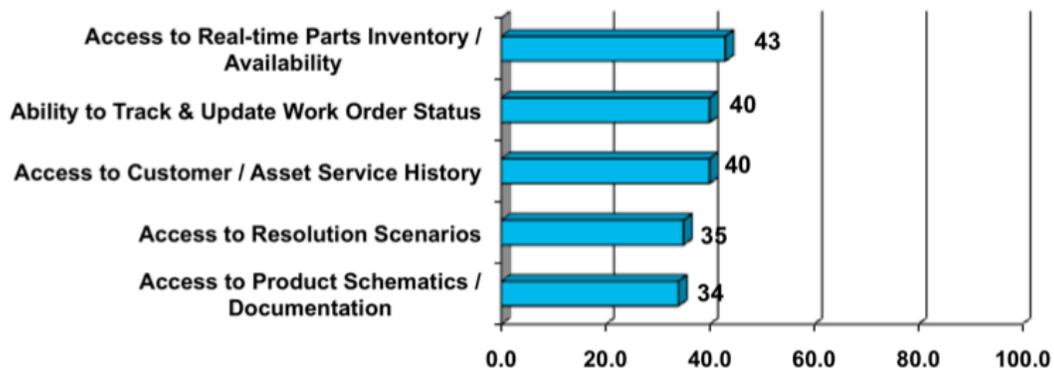
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What these data primarily show is that the Field Service community recognizes the need to take specific strategic actions to enhance and improve existing service operations, and that these actions begin first and foremost with the need to develop and/or improve the use of service metrics and KPIs in measuring and monitoring their service delivery performance. In addition, it shows that FSOs need to invest in the right technologies and mobile tools to empower their resources both in the field, and in the back office, to improve existing processes, meet the growing needs of customers, and make greater contributions to the bottom line.

The survey findings also show that FSOs aspiring to attain Best Practices do not merely look at outcomes, like improving the bottom line, or increasing customer satisfaction; they also look at ways in which to identify the root causes of major problems and leverage process improvement opportunities through the implementation of effective technologies and tools to support their resources both in the field and in the front and back offices that support them.

Figure 7
For Field Technicians, FSOs Plan* to Provide a Multitude of Additional Online Capabilities ...
 (Percent Response)



* In the next 12 months.

n = 163

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For example, over the next 12 months the leading FSOs plan to support their field technicians with a variety of online capabilities, including providing access to real-time parts and inventory availability (43%), ability to track and update the current status of work orders (40%), access to customer/asset service history (40%), access to resolution scenarios (35%) and access to product schematics and documentation (34%) (Figure 7). It is said that in real estate, the three most important considerations are “location, location and location”; however, in Field Service, FSOs come in loud and clear saying that it is “access, access, and access”. And, oh yes, make that real-time access, both to and from the field!

Whether it is access to data and information that represents the past (i.e., customer/asset history), the present (i.e., inventory availability), or the future (i.e., resolution scenarios), leading FSOs already recognize the importance of real-time data and information access.

Figure 8

FSOs Also Plan* to Empower Customers with a Variety of Web-enabled Self-help Capabilities ...

(Percent Response)



* In the next 12 months.

n = 141

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The key to success for many Best Practices FSOs is that they are also providing customers with a comparable set of online tools to make both their – and their field service providers’ – lives easier. By providing customers with the right mix of Web-enabled self-help capabilities, the leading FSOs have essentially been able to run their respective services operations more effectively, while also increasing existing levels of satisfaction by allowing customers to become part of their own “support team”. Figure 8 identifies the top customer Web-enabled self-help capabilities that FSOs plan to implement in the next 12 months.

Self-help support capabilities, such as the ability to view current work order status, saves customers – and FSOs – time in that an entire series of potential two-way vendor-customer status update calls can be avoided; and customers can create their own service tickets online, gain direct access to self-service resolution scenarios, receive real-time status update alerts, and track the shipping status of outstanding service parts orders themselves. Basically, the more the customer can do any of these activities itself, the quicker service orders can be created, the quicker potential time-related problems can be identified and resolved, and the happier the customers will be with the service they are receiving. Also, by making the customer part of the service delivery team, FSOs can also benefit from reduced time and cost-related factors. Customer access to online service order data and information is clearly a “win-win” scenario for both parties.

Based on the results of The Service Council™’s *2011 Field Service Benchmark Survey*, the key takeaways from this whitepaper are:

- Field Service Organizations (FSOs) are driven to improve workforce utilization and productivity, improve service process efficiencies, meet customer demand for quicker response and improved availability, and increase service revenues
- The marketplace recognizes that there is a direct link between improved Field Service efficiencies and increased service revenues – and profits
- Current levels of Field Service performance are less than satisfactory for a majority of FSOs – and in some cases, significantly so; Best Practices FSOs are widening the gap through higher-performing service metrics and KPIs
- There is a pervasive belief that increased Field Service software automation is required – regardless of type, size or coverage areas of the service organization
- A majority of FSOs are adding, expanding and/or refining the metrics, or KPIs, they use to measure service performance
- FSOs are currently, as well as making plans for, investing in mobile tools for facilitating real-time data/information access
- There is a decided push among FSOs to integrate new technologies into existing Field Service operations

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- Field Technicians are increasingly being provided with enhanced access to real-time data and information to support them in the field
- Leading FSOs are also providing customers with additional Web-enabled self-help capabilities (i.e., to initiate service calls, track the status of open calls, monitor parts orders, etc.)

As is typically the case – and especially in economic downturn scenarios – the leading FSOs appear to be taking more steps to improve their service operational efficiencies than all others. As such, any existing performance gaps identified in annual or year-to-year KPI performance are likely to widen even further. For FSOs aspiring to Best Practices status, the key to their success will depend heavily of such factors as KPI tracking and monitoring, adoption and implementation of new technologies and mobile tools, and the ability to support both field technicians and customers with real-time access to key services-related data and information.

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The Service Council™ presents its annual *Smarter Services*™ Executive Symposium in April – May. The Symposium provides an invaluable opportunity to meet and network with Services, Customer Experience and Customer Management Executives in an environment conducive to advancing Executive relationships.

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